



**FY 2022 Creating Affordable Housing
Announcement of Funding (AOF) – Submitted Questions & Responses
11/4/21**

Q1: My understanding is that this grant is for sticks and bricks and there are not any supportive services dollars associated with this grant. Am I correct?

- **Yes, the Creating Affordable Housing grant provides funding specific for 1-time infrastructural costs only.**

Q2. Can an LLC apply for CHI funding? This is for a new build. However, if it is for building rehab and/or acquisition and the LLC owns it, but the nonprofit organization is applying, then that is definitely a no, correct?

- **An LLC can apply for the Creating Affordable Housing (CAH) grant; historically, the overwhelming majority of grantees have been nonprofit organizations, but LLCs and for-profit organizations can submit proposals for the CAH grant. Each eligible proposal received by the submission deadline will be reviewed. Funding can be used for property acquisition, new construction, rehabilitation, or renovation. The property must be owned by the entity that applies for the grant and becomes the Grantee. The “Proposer Eligibility” section of the CAH AOF states “the proposer, for purposes of this Announcement, must be the owner of the proposed project by no later than the contract start date”.**

Q3. If an organization currently operates a facility that house people in a permanent supportive setting with a mental illness or co-occurring disorder, under a 20-year commitment that expires in June 2022, are there any restrictions that prohibit the organization from applying for the rehabilitation funds for a project that will assist with creating new housing options for a concentration of people living with substance use or opioid use disorder?

- **If the proposed project is to rehabilitate a property other than the facility that the organization is currently operating, and the project will establish new housing opportunities (specifically, housing opportunities that do not currently exist) for the targeted population, then the organization can submit a proposal for the Creating Affordable Housing grant. A property that has an existing restrictive covenant and/or**

active affordability period commitment with TDMHSAS is not eligible for FY22 Creating Affordable Housing grant funding.

Q4. With the rising costs of housing, is there a range of overall cost for a proposed project versus the number served?

- **With current dynamics of the housing market and cost of construction, materials, etc., the TDMHSAS has not specified a range of overall cost for a proposed project versus the number of residents served. As a reference for consideration, for a TDMHSAS housing grant opportunity released during FY 2021, the overall cost per bed for selected proposed projects was approximately \$21,000.**

Q5. If the property is under a covenant agreement with THDA or HUD is it eligible to be in a Restrictive Covenant for this grant?

- **For properties funded under this grant, the TDMHSAS would seek to establish a restrictive covenant on the property, which may conflict with existing covenants or commitments with other funding source entities. TDMHSAS encourages proposing entities to thoroughly examine any existing restrictive covenants or other established commitments and consult with their legal team as needed to ensure there are no conflicts of interest. Proposing entities are further encouraged to review the sample Grant Note and Restrictive Covenant document templates found in Attachment H of the AOF document. Any property that is currently under a restrictive covenant and an active affordable period with TDMHSAS is not eligible for FY22 CAH grant funding.**

Q6. An agency is looking to acquire a property before the grant contract period is to start. If the agency was awarded, would they be able to be reimbursed?

- **TDMHSAS can only authorize reimbursement payments for grant related expenses incurred during the established grant contract period. Therefore, any expenses incurred before or after the established grant contract period are not eligible for reimbursement. Proposing entities may consider exploring opportunities to establish contingency contracts with property sellers, pending selection for grant award.**

Q7. Our agency has been assigned an EIN; we have also applied for 501(c)(3) status but has not attained 501(c)(3) status yet. Can an existing non-profit organization as a fiscal agent apply for grant, and would that mean the fiscal agent needs to be the owner of the home?

- **Any organization (non-profit or other) may submit a proposal for the FY 2022 Creating Affordable Housing grant, but the proposing organization/entity must be the owner of**

the property. The 'Proposer Eligibility' section of the CAH AOF states "the proposer, for purposes of this Announcement, must be the owner of the proposed project by no later than the contract start date". The Grantee must be the owner of the property. It is important to note that the Grant Note, Restrictive Covenant, and the entire associated affordability period must be assigned to the Grantee/property owner.

Q8. Is there a ratio of beds that must be dedicated to individuals experiencing mental illness vs substance use disorder in the home?

- **No, there is no required ratio for the number of beds dedicated to individuals experiencing mental illness vs. substance use disorder. TDMHSAS recognizes the need for quality, safe, affordable, and permanent housing for individuals experiencing both mental illness and/or substance use disorder and strives to solicit innovative proposals that very clearly explains the specific targeted population for the project.**

Q9. If an agency proposal includes rehabilitation to an existing property, would appliances be considered as "sticks and stones" ("bricks and sticks") costs?

- **For the purpose of this Creating Affordable Housing grant, essential appliances for the property included in the project to create new, quality, permanent housing can be considered as infrastructural costs and is eligible for funding.**

Q10. What is meant by 'sticks and stones'?

- **"Bricks and sticks" is a common phrase that is used to refer to building infrastructure or infrastructural materials.**

Q11. Are mobile homes excluded from consideration for grant award?

- **Modular homes are not excluded from consideration for the Creating Affordable Housing grant. Please note as indicated in the Announcement of Funding the TDMHSAS seeks proposals to develop new, safe, quality, and affordable permanent housing.**